State of California

### DEPARTMENT OF MOTOR VEHICLES



### **FINAL AUDIT REPORT**

CALIFORNIA STATE AUTOMOBILE ASSOCIATION PROGRAM COMPLIANCE AUDIT

AUDITS OFFICE
DEPARTMENT OF MOTOR VEHICLES

**JANUARY 2010** 



Audits Office



OFFICE OF THE DIRECTOR
AUDITS OFFICE M/S H - 121

DEPARTMENT OF MOTOR VEHICLES
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January 25, 2010

Darryl Hahn, DMV Liaison California State Automobile Association (CSAA) 3055 Oak Road Walnut Creek, CA 94597

Dear Mr. Hahn.

The final audit report for the California State Automobile Club (CSAA) Compliance Audit is attached for your information. In October 2009, we sent a draft of this report for your review and response. Included in this final report are excerpts of your responses and our evaluation. The responses are also included in their entirety as ADDENDUM 1 at the end of this report.

We request that CSAA DMV liaison provide us with a status report at 6 months, and 1-year from the date of this final report addressing the implemented corrective actions. In addition, we request that the Greenhaven and Clovis Auto Club branch offices submit copies of their record of Employee Identification Numbers submitted to the Receiving Field Office for each quarter along with copies of the Browse Abbreviated Employee Record and Modify Employee Record for March, June, September, and December 2010. If warranted, a follow up review may be conducted to ensure that appropriate corrective actions have been implemented to rectify each finding.

We appreciate your cooperation during this audit. If you have any questions regarding this report, please contact Sherry Clark at (916) 657-6237.

### CHRISTIANA MBOME, CPA

Manager, Internal Audits Branch Audits Office 657-6480

### Attachment

cc: George Valverde, Director
Matt Paulin, Chief Deputy Director
Jerry McClain, Audits Chief
Kathleen Rose, Deputy Director, ROD
Andrew Conway, Chief, Registration Policy and Automation, ROD
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# CALIFORNIA STATE AUTOMOBILE ASSOCIATION PROGRAM COMPLIANCE AUDIT

### FINAL AUDIT REPORT

### **JANUARY 2010**

### **EXECUTIVE SUMMARY**

At the recommendation of the Department of Finance (DOF) and as required by the Institute of Internal Auditors (IIA) Inc., the Internal Audits Branch (IAB) conducted a Department-wide Risk Assessment in 2008 to evaluate the Department from a strategic perspective, and identify high-risk programs, processes, and/or activities to audit. The *Automobile Club (Auto Club) Program* was identified as a moderate to high-risk program impacting the Department of Motor Vehicles' (DMV) core business functions. The selection factors included the integrity and confidentiality of registration records, unstable system environment, security and confidentiality of DMV information, inventory discrepancies, high potential for fraud and resulting in loss of revenue, and non-compliance with the terms of the Automobile Club Agreement (Agreement).

The Registration Operations Division (ROD) provides oversight over the auto clubs to ensure that auto clubs comply with the Agreement requirements, train their staff adequately, provide security over DMV assets, comply with laws and regulations, and establish systems and procedures for monitoring the effectiveness and efficiency of the program.

This audit assessed the Auto Clubs' compliance with the Agreement provisions, applicable laws, and regulations. In addition, the audit measured adherence to policies and procedures in safeguarding DMV assets and processing vehicle and vessel registrations, DMV information privacy and security controls, effectiveness of internal controls, and sufficiency of governance and oversight. Further, it incorporated the responses to questionnaires completed by the ROD Auto Club Administrator, Receiving Field Offices, 24 selected Auto Club branch offices, and onsite visits of these offices.

Our audit disclosed that overall, the auto clubs adhere to the provisions in the Agreement and applicable laws and regulations. However, 6 out of 10 CSAA Auto Club branch offices audited exhibited the following weaknesses:

- Two Auto Clubs did not terminate employee authorized access timely
- DMV workstation designs allowed viewing by non-authorized employees and customers
- One Auto Club branch office did not comply with procedures for protecting customer personally identifiable information (PII)

Details of these findings as well as recommendations for corrective actions are included in the *Findings and Recommendations* section of this report.

### BACKGROUND, OVERVIEW AND AUTHORITY

To enhance the services the DMV provides to the public, the DMV has discretionary authority based on Vehicle Code Section 4610 to grant auto clubs and their designated branch offices permission to process specified registration and miscellaneous transactions, provided they have been issued a Certificate of Authority as provided in Section 12160 of the Insurance Code. As a condition of the Agreement between DMV and the auto clubs, their designated offices must comply with the applicable laws, regulations, and standards regarding vehicle registration transactions and the requirements stated in the Agreement.

Currently, there are three auto clubs and 166 branch offices authorized to process DMV vehicle and vessel transactions for their members. The three auto clubs are: Automobile Club of Southern California (ACSC), California State Automobile Association (CSAA), and National Automobile Club (NAC). Their branch offices process over four million transactions annually and collect over \$500 million in revenue.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors, Inc., *Generally Accepted Government Auditing Standards* promulgated by the US Government Accountability Office, and under the authority granted to us in the Audit Charter. This audit report presents the details and results of the audit.

### **OBJECTIVES AND SCOPE OF AUDIT**

The general objective of the Auto Club Program Compliance Audit was to provide management with an independent assessment of the risks, controls, and governance processes associated with the related activities, and provide recommendations to enhance the auto club's efficiency and effectiveness.

Specific audit objectives included the following:

- Assessed the existing risks associated with the Auto Club Program, and determined whether compensating controls were in place to identify and mitigate such risks. (Program Risks)
- Ensured that auto clubs adhere to policies and procedures relating to the receipt, issuance, inventory, and security of accountable items (Accountable Items)

- Verified whether adequate privacy and security controls exist to safeguard customer personally identifiable information (PII), and prevent unauthorized access to DMV information and system. (Privacy and Security)
- Authenticated the existence of policies and/or procedures, and determined whether Auto Club employees adhere to applicable policies and/or procedures in the Agreement while processing vehicle registration transactions. (Policies and Procedures)
- Verified whether ROD management has adequate monitoring and governance control procedures in place to ensure the Auto Club Program is effective and efficient. (Governance and Oversight)

The evaluation and assessment included an examination of records and practices related to vehicle registration and titling transactions and associated activities, as well as the applicable inventory records for the sixteen-month period from July 1, 2007 through April 30, 2009.

### APPROACH AND METHODOLOGY

In order to accomplish the above objectives, the Internal Audits Branch prepared and submitted a questionnaire to the Auto Club Program Administrator and evaluated the auto clubs' required documentation to ensure compliance with the terms of the Contract and the applicable laws and regulations. The following were evaluated:

- Accountable inventory ordering, receiving, and supply limitation procedures
- Inventory recording and issuance of accountable and controlled inventory
- Storage and security of DMV accountable and controlled inventory
- Proper handling of accountable and controlled items discrepancies
- Privacy and security over customer personally identifiable information, DMV information, and system
- Adherence to policies and procedures while processing vehicle registration transactions
- Adequacy of internal controls when processing DMV transactions
- Adequacy of governance and oversight over the Auto Club Program

The auditors conducted onsite audits at 10 CSAA Auto Club branch offices at locations statewide. See **TABLE 1** at the end of this report for a list of auto clubs audited.

The Auto Club branch offices were selected based on the following factors:

- (1) Locations recommended for audit by ROD and the Investigations Division
- (2) Number of vehicle registration transactions processed annually

- (3) Noted inventory discrepancies
- (4) Pilot program participants with Control Cashier responsibilities
- (5) Auto Club branch offices not audited in the last four years

### **RESULTS AND OPINION**

Overall, our evaluation revealed that the Auto Club branch offices adhere to the contract terms, applicable laws and regulations and there were no significant internal control weaknesses. However, some program requirements have not been adequately enforced and monitored. We identified six reportable conditions described in the *Findings and Recommendations* section of this report.

In our opinion, the system of internal controls in effect at the Auto Club branch offices as of **July 29, 2009**, taken as a whole, was sufficient to meet the noted objectives in this report.

### **NEXT STEPS**

This is the final audit report for this audit. We request from the CSAA DMV Liaison a status report at 6 months and 1-year from the date of this final report addressing the implemented corrective actions. We also request that Greenhaven and Clovis Auto Clubs for March, June, September and December 2010 submit copies of their record of Employee Identification Numbers submitted to the Receiving Field Office for each quarter along with copies of the Browse Abbreviated Employee Record and Modify Employee Record. If warranted, a follow up review may be conducted to ensure that appropriate corrective actions have been implemented to rectify each finding.

### FINDINGS AND RECOMMENDATIONS

The IAB incorporated the audit responses and our evaluation to this final report. The responses in their entirety are included in **ADDENDUM 1** – CSAA Audit Response.

FINDING 1: Two Auto Clubs Did Not Terminate Employee Authorized Access
Timely

### CONDITION:

The Auto Club branch offices assign an Employee Identification Number (EIN) to each Service Representative authorized to process DMV transactions and the Receiving Field Office activates the number in the DMV system. This EIN enables the employee to process DMV transactions and access DMV sensitive information. Therefore, it is critical that this access be terminated timely when no longer required.

Two Auto Club branch offices failed to terminate an employee's DMV system access timely. The auto clubs are required to take reasonable precautionary measures to protect the DMV system from unauthorized access. When an authorized employee no longer requires access to the DMV system, it must be terminated immediately according to the Accounting Manual. Failure to terminate employee access timely may lead to unauthorized access, fraud, misuse, and abuse of the DMV system and information.

### Greenhaven Auto Club

The Greenhaven Auto Club failed to notify the Receiving Field Office immediately when two previously authorized employees no longer required access to the DMV system. According to the Greenhaven Auto Club records, when two authorized employees were separated or transferred on April 1, 2009, the Receiving Field Office was not notified until May 21 and May 22, 2009 and DMV system access was not terminated for over 45 days.

### Clovis Auto Club

The Clovis Auto Club failed to notify the Receiving Field Office immediately when a previously authorized employee no longer processed DMV transactions. According to the Clovis Auto Club records, an authorized auto club employee separated/transferred from this office on March 12, 2009, but the Receiving Field Office was not notified until May 21, 2009 and DMV system access was not terminated for over 60 days.

### CRITERIA:

Accounting Manual Chapter 3, Employee ID Cancellation or Change (3-B-3) states, "Automated auto club offices will <u>immediately</u> cancel the Employee Identification Number and notify their Receiving Field Office when an employee:

- · no longer processes DMV registration work or
- is no longer employee by that auto club office.

Automobile Club Automation Agreement #97-01, Section 10 - Security states in part, "CSAA agrees to take reasonable measures to protect the terminal, access programs, codes, user manuals, and information from unauthorized access, disclosure, or use." Also, Section 14-Accounting Manual, states, "CSAA agrees to comply with the Accounting Manual Chapter 3 in effect on the date of this Agreement."

### RECOMMENDATIONS:

To ensure that employee access is terminated timely, the auto clubs should adhere to the following:

 The Greenhaven and Clovis Auto Clubs must adhere to the Accounting Manual procedures and immediately cancel Employee Identification Numbers when an employee no longer requires access to the DMV system.

- 2. Management must also immediately notify their Receiving Field Office to terminate employee access and prevent the risk of unauthorized access to the DMV system.
- ROD management should establish monitoring procedures to ensure that auto clubs adhere to the established policies and procedures and timely terminate DMV system access when no longer needed.
- 4. Finally, ROD management should require the Receiving Field Offices to compare the departure date of an auto club authorized employee with the time the Receiving Field Office is notified to enhance internal controls, identify training needs, and prevent unauthorized access to the DMV system.

### CSAA RESPONSE:

The DMV staff was reminded by Management to submit the report in a timely fashion as stipulated in the Accounting Manual Chapter 3, Employee ID Cancellation or Change (3 B 3).

### **AUDIT OFFICE'S EVALUATION:**

We agree with the corrective actions implemented by CSAA. The actions will reduce the risk of unauthorized access, fraud, misuse, and abuse of the DMV system and information. We also request Greenhaven and Clovis Auto Club branch offices submit copies of their record of Employee Identification Numbers submitted to the Receiving Field Office for each quarter along with copies of the Browse Abbreviated Employee Record and Modify Employee Record for March, June, September, and December 2010.

### FINDING 2: DMV Workstation Designs Allowed Viewing by Non-Authorized Employees and Customers

### CONDITION:

The Auto Club branch offices are required to maintain DMV workstation floor plans, which provide adequate security over DMV information and terminals and mitigate the risk of unauthorized access. DMV workstations at three Auto Club branch offices were accessible by non-authorized employees and customers. The floor plans were designed to allow DMV authorized employees a shared workstation with non-authorized employees. In addition, the floor plans did not provide blocked access from customers. By not establishing, a secure location for the processing of DMV transactions increases the potential threat of unauthorized viewing, disclosure, theft, fraud, and exposure of customer PII. This issue occurred at the San Jose/Oakridge, Vallejo, and Vacaville Auto Clubs.

### CRITERIA:

Automobile Club Automation Agreement #97-01, Section 10 states the "CSAA agrees to take reasonable measures to protect the terminal, access programs, codes, user manuals and information from unauthorized access, disclosure or use."

### RECOMMENDATION:

To secure the DMV workstations, the auto clubs should adhere to the following:

- CSAA should submit their office floor plans to the ROD Program Administrator and Information Security Officer for review and approval before making any modifications to the DMV workstation areas.
- 2. ROD should request updated copies of all Auto Club branch offices' floor plans and review them for security risks.
- The ROD Administrator and Information Security Officer should conduct periodic onsite visits of various auto club offices to ensure adequate security measures are in place according to the Automation Agreement CADMV CSAA and ACSC.
- 4. Annually, the auto club personnel must read and sign the Annual Information Security Policy and Computer Use Statement (DMV 350A). Auto club management should also include training sessions on security awareness to ensure all auto club personnel clearly understand their responsibilities and comply with the noted policies and procedures.
- 5. Finally, auto club management should periodically monitor the various workstations to ensure that employees properly secure customer personal, confidential, and proprietary information.

### CSAA RESPONSE:

- 1. Although the workstations in the Member Services Area have dual functionality, a non-DMV employee does not use the workstation at the same time as a DMV employee. DMV employees sign off the system prior to leaving or turning the workstation over to a non-DMV employee. This procedure supported by the management at all three locations identified. All screens in the Member Services Area also have the required privacy screens. The area is also monitored via security cameras linked to recoding devices.
- 2. In regards to the blocked access to the Member Services Area, during our meeting with DMV on June 24, 2008, IPSO and Audits stated that a locking enclosed area, door is not necessary as long as the area is monitored by a person and there are no restrooms or vending machines for customers to access in the area. Our branch locations ensure there always is an employee in the area to prevent access by customers. In no locations is there access by a customer to rest rooms or vending machines in the area.

### AUDIT OFFICE'S EVALUATION:

We agree with the security measures established at the identified locations; however, there are supplies stored in the DMV workstation area at the San Jose office, which may require accessibility by non-DMV employees at the same time as a DMV authorized employee. It is recommended that the CSAA liaison review and monitor the

DMV workstation area to ensure sufficient security measures are in place for securing DMV information from unauthorized access.

# FINDING 3: One Auto Club Branch Office Did Not Comply with Procedures for Protecting Customer Personally Identifiable Information (PII)

### CONDITION:

Vehicle registration documents contain customer personally identifiable information (PII) such as customer names, addresses, vehicle identification numbers, plate numbers and vehicle history. Customer PII must be protected properly according to laws, regulations, and the Automation Agreement between DMV and CSAA and ACSC. However, the audit disclosed that the Petaluma Auto Club simply placed the PII in a waste bin after each DMV transaction, and dumped it as trash at the end of the business day. The Petaluma Auto Club is negligent and fails to protect and properly dispose of customer PII related to DMV transactions. All discarded customer PII must remain secured until shredded by the office designee or a private company. Failure to shred this information could result in the compromising of customer PII that may go undetected and lead to identity theft and fraud.

### CRITERIA:

California Code of Regulations, Automobile Club Partnership Program (ACPP), Article 3.7, Section 226.30 states, in part," (a) All information shall be treated as confidential or restricted information and shall retain the protections provided by Vehicle Code; the Information Practices Act of 1977; the Public Records Act; Government Code, and any and all related statues pertaining to information security." And "(d) the failure of a partner to comply with the information security requirements in these regulations shall be good cause for the department to cancel, terminate or refuse to enter into a contract."

California Vehicle Code Section 1808.47 states, "Any person who has access to confidential or restricted information from the department shall establish procedures to protect the confidentiality of those records."

Information Security and Disclosure Statement Public/Private Partnerships
Employee section 7 states in part, "....you shall take reasonable precautions to protect
the documents from unauthorized access and theft. Reasonable precautions include,
but are not limited to: Move documents that are to be destroyed to a secure area
pending destruction."

### RECOMMENDATION:

The Petaluma Auto Club should comply with the following established procedures for proper disposal of customer PII:

 Management is reminded that the protection of customer PII is vitally important to the department and adequate procedures must be implemented to protect this information. Therefore, management must provide training for all DMV authorized staff on the protection and proper disposal of customer PII.

- 2. In order to separate customer PII from regular trash, management should provide separate bins to DMV technicians for the disposing of confidential information throughout the day. This information must be placed in a locked shred bin at the end of the day until shredded by an authorized shredding company or designee.
- Management must enforce monitoring procedures to ensure that staff follows
  procedures when disposing of confidential information. In addition, management
  must monitor to ensure shred bins are locked and the keys are stored in a locked
  area with limited access.
- 4. Finally, ROD should verify to ensure that auto clubs comply with written procedures in the securing and disposal of confidential information.

### **CSAA RESPONSE:**

The Petaluma Auto Club Management resolved this issue at the time of the audit ensuring all PII information is immediately placed in a locked shred bin. The Eureka auto club places PII in a folder, which is secured in a locked drawer, which is only accessible, by the DMV technicians. At the end of the day, the information is then placed in a secured shred bin.

### AUDIT OFFICE'S EVALUATION:

We agree with the corrective actions implemented by both Petaluma and Eureka Auto Clubs. The established security measures will ensure the protection of customer PII and minimize the risk of identity theft and fraud.

### CONCLUSION

With the exception of the conditions presented in the *Findings and Recommendations Section*, internal controls at the auto clubs, as a whole, appear to be sufficient and functioning properly to meet the program objectives. However, some program requirements have not been adequately enforced and monitored.

Our recommendations will assist in improving internal controls and procedures, strengthen ROD's oversight responsibilities, protect customer PII, and reduce the risk of theft or misuse of DMV assets. These recommendations in no way should be considered a criticism of, or reflection on, any auto club or DMV employee.

CHRISTIANA MBOME, CPA Manager, Internal Audits Branch January 25, 2010

Review Staff:
Sherry Clark, Supervisor
John Chen
Ron DeBerard
Christopher Flora
Cecilia Lau
Lynette Piggee-Pinero

## TABLE 1: AUDITED AUTO CLUBS

# CALIFORNIA STATE AUTOMOBILE ASSOCIATION DISTRICT OFFICES

HOST FIELD OFFICE	SANTA ROSA	EUREKA	PETALUMA	HAYWARD	DALY CITY	SANTA TERESA	SAN JOSE	VALLEJO	SACRAMENTO-FLORIN	VACAVILLE
# O4	555	526	634	619	599	899	516	554	602	588
AUTO CLUB	SANTA ROSA AUTO	EUREKA AUTO	PETALUMA AUTO	HAYWARD AUTO	SERRAMONTE AUTO	SAN JOSE OAKRIDGE AUTO	WESTGATE	VALLEJO AUTO	GREENHAVEN AUTO	VACAVILLE AUTO
#OI	B07	B13	B51	B37	B40	B57	B92	B10	B69	B75
#	-	2	3	4	2	9	7	ω	6	10

# CALIFORNIA STATE AUTOMOBILE CLUB (CSAA)

# **AUDIT RESPONSE**



3055 Oak Road Walnut Creek, CA 94597

Department of Motor Vehicles Audits Office – Sherry Clark 2570 24<sup>th</sup> Street, Mail Station H121 Sacramento, Ca 95818

Dear Ms. Clark,

This letter is in response to the Automobile Club Program Compliance Audit for the period of July 1, 2007 through April 30, 2009. I have addressed the findings specific to AAA NCNU and the action taken to correct the finding. The concerns identified will also be shared with all AAA NCNU Branch locations that provide DMV services as a reminder, via our "Did You Know" communication.

### Findings Audit Report and Summary

Finding 2: Two Auto Clubs Did Not Terminate Employee Authorized Access Timely

- Greenhaven Auto Club: Failed to notify the Receiving Field Office when two
  previously authorized employees no longer required access to the DMV system.
  Two authorized employees were separated or transferred on April 1, 2009 but the
  Receiving field Office was not notified until March 12, 2009. The DMV staff
  was reminded by Management to submit the report in a timely fashion as
  stipulated in the Accounting Manual Chapter 3, Employee ID Cancellation or
  Change (3 B 3).
- Clovis Auto Club: Failed to notify the Receiving Field Office when a previously authorized employee no longer processed DMV transactions. The authorized employee separated/transferred from the office on March 12, 2009 but the Receiving field Office was not notified until May 21, 2009. The employee identified was on a leave of absence at the time of the audit and has since been removed. The DMV staff was reminded to be sure to submit the report in a timely fashion, as stipulated in the Accounting Manual Chapter 3, Employee ID Cancellation or Change (3 B 3).

**Finding 3:** DMV Workstation Designs Allowed Viewing by Non-Authorized Employees and did not provide blocked access from customers entering the Member Services Area.

Although the workstations in the Member Services Area have dual functionality, a
non DMV employee does not use the workstation at the same time as a DMV
employee. DMV employees sign off the system prior to leaving or turning the
workstation over to a non DMV employee. This procedure supported by the
management at all three locations identified. All screens in the Member Services
Area also have the required privacy screens. The area is also monitored via
security cameras linked to recoding devices.



3055 Oak Road

• In regards to the blocked access to the Member Services Area, during our meeting A 94597 with DMV on June 24, 2008, IPSO and Audits stated that a locking enclosed area, door is not necessary as long as the area is monitored by a person and there are no restrooms or vending machines for customers to access in the area. Our branch locations ensure there always is an employee in the area to prevent access by customers. In no locations is there access by a customer to rest rooms or vending machines in the area.

**Finding 6:** One Auto Club Branch Office Did Not Comply with Procedures for Protecting Customer Personally Identifiable Information (PII)

- Petaluma Auto club: The Audit disclosed that the Petaluma Auto Club placed the PII in a waste bin after each DMV transaction, and dumped it as waste at the end of the day. The Petaluma Auto Club Management resolved this issue at the time of the audit ensuring all PII information is immediately placed in a locked shred bin. They also ensure that the requirements stipulated in the California Code of Regulations, Automobile Club Partnership Program, Article 3.7, Section 226.30, California Vehicle Code Section 1808.47 and the Information Security and Disclosure Statement Public/Private Partnerships Employee Section 7 will be adhered to.
- Eureka Auto Club: Management at the Eureka Auto Club failed to take reasonable precautions to protect customer confidential information until destroyed. The information is simply placed in a folder which is assessable by non DMV employees. To resolve this issue PII is now being placed in a folder which is secured in a locked drawer which is only accessible by the DMV technicians. At the end of the day the information is then placed in a secured shred bin. The Eureka Auto Club Managements will ensure all requirements stipulated in the California Code of Regulations, Automobile Club Partnership Program, Article 3.7, Section 226.30, California Vehicle Code Section 1808.47 and the Information Security and Disclosure Statement Public/Private Partnerships Employee Section 7 will be adhered to.

### Additional Findings

Management at the Hanford and Westgate Auto Club branch offices failed to review and sign the Application Review Lists (ARL's) containing registration transaction fields that are considered sensitive. The Hanford and Westgate Management will adhere to the Control Manual procedure by reviewing the ARL's along with the supporting documentation and sign and date them.

If you have any questions or require further clarification please contact me direct.

Respectfully

Darryl C Hahn PMP

AAA NCNU DMV Liaison

AAA Northern California, Nevada & Utah

3055 Oak Road Walnut Creek, CA 94597

3055 Oak Road Walnut Creek, Ca 94597 925-279-2508

CC: Eleanor Swyers, Revenue and Compliance Policy, ROD Thomas Grieser, TSMS, Clovis Auto Club DD Hastings, TSMS, Greenhaven Auto Club Rex Ammerman, TSMS Petaluma Auto Club Gloria Hayward, TSMS San Jose Oakridge Auto Club Daisy Leonard, TSMS Vallejo Auto Club Daisy Leonard, TSMS Vacaville Auto Club Dawn Hodge, ISM & TSMS Eureka Auto Club Stacy Shelton, ISM & TSMS Hanford Auto Club Geri Hall, TSMS Westgate Auto Club





Santa Rosa District Office 1500 Farmers Lane Santa Rosa, CA 95405 Tel (707) 544-1010 Fax (707) 566-4080

Department of Motor Vehicles Audits Office- Sherry Clark 2570 24<sup>th</sup> Street, Mail Station H121 Sacramento, Ca. 95818 November 4, 2009

We have received and reviewed the Automobile Club Program Compliance Audit document.

Regarding FINDING #6 "Office did not comply with procedures for protecting customer personality identifiable information (PII) " PETALUMA BRANCH

### Effective today:

We have addressed this matter with the Petaluma branch staff. Our employees now secure the customer PII documents during business hours then drop them in the locked shredding bin at the end of the business day.

Our belief is that going forward the customer documents will not be compromised nor lead to identity theft or fraud.

Thank you for bringing this condition to our attention.



t 707-566-4001 f 707-566-4080 Rex.Ammerman@goAAA.com

Cc: Darryl Hahn, DMV Liaison NCNU Doug Berg, ABM Market Two Maureen Chisholm, ISM Petaluma

AAA Northern California